drugs there only during the daytime and not at night? But then would it also not be a fair inference that Idris' physical presence in his room at night would deter his family especially his brothers from rummaging in his cupboard?

All in all the defence story that there was such an arrangement is not implausible and the assertion of the accused that the seven packets of heroin in his brief case were Idris' and Idris' admission that they were his, coupled with the evidence of their father that Idris admitted to him that the seven packets were his, could probably be true. In the result, I find that the defence has succeeded in raising a reasonable doubt on the prosecution's case from which an inference from the primary facts had been drawn that the accused was in possession of all the drugs in the brief case.

But the accused has admitted to the possession of the 7.82 grammes of heroin found in the two black receptacles in the brief case. On his own admission which is believable, I find him guilty and convict him for the offence of being in possession of 7.82 grammes of heroin without being so authorized under the Dangerous Drugs Act 1952 or the regulations made thereunder under section 12(2) of the Act. He is to be punished under section 39A as the provision stood on the date of his offence. Defence counsel may now make his plea in mitigation.

Order accordingly.

Solicitor: *Augustine-Negrin & Co.*

WINTHROP PRODUCTS INC. & ANOR. v. SUN OCEAN (M) SDN. BHD. & ANOR.

[O.C.J. (V.C. George J.) 23 January 1988]

[Kuala Lumpur – Civil Suit No. C120 of 1981]

Trade Marks – Product manufactured in United Kingdom sold in Malaysia – Whether infringement of trade mark – Passing off – Trade Marks Ordinance (No. 26 of 1950), s. 52(3)(a).

This case concerned the well-known analgesic Panadol. "Panadol" was the trade mark under which the analgesic was sold. The owner of the trade mark was the Sterling group of companies. This group had various companies all over the world owning and using the trade mark. In Malaysia, it was owned by the first plaintiff who also has the registered-user rights of the mark in the U.K. The second plaintiff was registered in Malaysia as the sole registered user of the mark.

In the U.K., the analgesic was produced as tablets and was offered for sale in blue packs under the trade mark. There was nothing on the pack to suggest any territorial restrictions in respect of the sale of the product.

The plaintiffs' complaint against the defendants was that the second defendant imported into Malaysia the blue pack Panadol which they had obtained from the British domestic market and that they had sold such Panadol in the Malaysian market through, *inter alia*, the first defendant. It was contended for the plaintiffs that such importation and sale of the blue pack Panadol in Malaysia infringes the first plaintiff's proprietorship and the second plaintiff's user rights in the Panadol trade mark.

It was also contended that the defendants had by putting the blue pack Panadol in the Malaysian market practised a deception on the Malaysian public that amounts to a passing off of the blue pack Panadol as being that of the plaintiffs.

Held, dismissing the plaintiffs' claim: (1) the first plaintiff, having a registered-user right in respect of the mark in the U.K. and ownership in the mark in Malaysia, could manufacture and sell the product Panadol in the U.K. and in Malaysia. Under the trade mark law, there was nothing to stop them from exporting their products from the U.K. to, say, Malaysia and vice versa. There was, and is, nothing in the trade mark law to stop them, or for that matter any trader, from exporting Panadol made in the U.K. by either the first plaintiff or by the Sterling Winthrop Group Ltd. other than any contractual restrictions that there may have been imposed. There were no such contractual restrictions;

(2) the proprietorship and/or registered user of a trade mark has the right to prevent deception as to the origin of the goods but such proprietorship or user right per se does not give a right to control dealings with the goods. Some measure of contractual control may be provided for but trade mark laws certainly do not give rights of control;

(3) where a parent company (or a group of companies) chooses to manufacture and sell wholly or partly through subsidiary companies in different parts of the world products which bear the same trade mark, neither the parent nor any member of the group nor any subsidiary can complain in Malaysia if those products are sold and resold under the trade mark. A purchaser of the analgesic Panadol manufactured and/or sold by a Sterling company and sold under the Panadol trade mark whether in Malaysia or in the U.K. or in any other part of the world is at least entitled to assume that he will not be sued by a Sterling company in Malaysia or in the U.K. or anywhere else merely because of the place of manufacture of the product which he has acquired under the trade mark Panadol. The legal ownership of the trade mark Panadol enables the proprietor to protect in Malaysia the reputation and goodwill of the owner and of the group of which the owner is a member by ensuring that no goods are sold with the mark unless they are produced and labelled by a Sterling company. The legal ownership of the mark does not go further and enable the owner or registered owner to ensure that products manufactured elsewhere (*e.g.* in the U.K. or in the U.S.A.) are not sold within the territory of Malaysia. Neither common law nor the statute law of Malaysia allows this;

(4) the object of section 52(3)(a) of the Trade Marks Ordinance (No. 26 of 1950) is to prevent the owner of the trade mark claiming infringement in respect of a product which he has produced and to which he has attached the trade mark;

(5) neither of the plaintiffs may complain of or object to the putting into the market in the U.K. or elsewhere of products by their related companies of the similar product bearing the same trade mark and that thereafter they can be said to have impliedly consented to their doing so, so that the holder from time to time of the goods acquires the absolute ownership of the goods including the right to sell the goods in any part of the world in the same condition in which they were disposed of. Accordingly, both the plaintiffs in the present case had impliedly consented to the use of the trade mark by the manufacturers of the blue pack Panadol in the U.K. which had found its way into the ownership of the defendants;

(6) as to the complaint of passing off, there was not a iota of evidence to suggest that the defendants or any of its servants or agents had held the blue pack Panadol that they marketed in Malaysia as being anything but Panadol manufactured in the U.K.

Cases referred to:

(1) *Champagne Hiedsieck et Cie etc.* v. *Buxton* (1930) 47 R.P.C. 28 (cited).
(2) *Revlon Inc & Ors.* v. *Cripps & Lee Ltd.* [1980] F.S.R. 85 (follid).
(3) *G.E. Trade Mark* [1970] R.P.C. 339 (follid).

CIVIL SUIT.

Chin Yew Meng for the plaintiffs.

V.L. Kandan (*Bharti R. Seth (Miss)* with him) for the defendants.

Cur. Adv. Vult.

V.C. George J.: "Panadol" is the trade mark under which the well-known analgesic is sold. It is what is known as an invented word mark. In the United States of America, the owner of the trade mark is Sterling Drug Inc. In the United Kingdom, it is owned by Sterling Winthrop Group Ltd. In Malaysia, it is owned by the first plaintiff Winthrop Products Inc., a company incorporated under the laws of the state of Delaware, U.S.A. Winthrop Products Inc. has registered-user rights of the mark in the United Kingdom. The second plaintiff is registered in Malaysia as the sole registered user of the mark. All these corporations are related corporations. A look behind the corporate veil revealed that these corporations are all members of a group of companies that function on a worldwide basis with a turnover of some US$2 billion per annum. The parent company is Sterling Drug Inc. of the U.S.A. The worldwide activities of the group are carried out by sub-groups, each functioning in different geographical areas. For the Canadian region, there is Sterling Canada, for Australia Sterling Australasia, for Europe Sterling Europa and the Sterling International Group (SIG) for the rest of the world. SIG is divided into three main divisions, one serving Latin America, another Africa and the third, Asia. In the area covered by SIG, the various companies in each regional division report to the regional head who in turn reports to the President of SIG who in turn reports to the parent company Sterling Drug Inc. Similarly, the various corporations in Sterling Europa report to their divisional head who reports to the head of Sterling Europa who in turn reports to Sterling Drug Inc. The British company Sterling Winthrop Group Ltd. reports to the divisional head in Switzerland who reports to Sterling Drug Inc. in the U.S.A.

It would appear that the ownership (or substantial ownership) of the various corporations in the group, certainly that of the Malaysian, British and American companies that were specifically referred to herebefore, can be traced to Sterling Drug Inc. Mr. Andrew Power, a vice president of Sterling Drug Inc. who also holds the office of associate legal counsel in that corporation, testified that the first plaintiff Winthrop Products Inc. and the British company Sterling Winthrop Group Ltd. are both wholly owned by Sterling Drug Inc. Other unchallenged testimony showed, and it is an agreed fact, that the second plaintiff Sterling Drug (M) Sdn. Bhd.'s ownership can be traced to Sterling Drug Inc.

Encik Chin Yew Meng, counsel for the plaintiffs, would make a distinction between ownership and control and had argued that the ownership per se does not mean that these companies are controlled by Sterling Drug Inc. He contends that the evidence of PW 10, 11, 12, 13 and 14 is to the effect that Sterling Drug Inc. did not control those companies owned by it. However, the evidence, a full and *verbatim* note of which was taken by me, is seen to show that the testimony of those witnesses was to the effect that Sterling Drug Inc. did not normally interfere with the day-to-day running of these corporations which does not necessarily mean that Sterling Drug Inc. does not control those companies.

As to Sterling Drug (M) Sdn. Bhd., the second plaintiff, Mr. Batt Nyberg, the managing director, in cross-examination explained that as the managing director he was required to and submitted monthly reports to the regional headquarters of

SIG at Manila. It appears that in fact his appointment as managing director was at the instance of the president of the Asian region of SIG. The relevant portions of his testimony is reproduced:

"Yes the reason for our monthly reports to the President Asia Region is to enable him to be informed of our overall results. The President Asia Region (in Manila) is the man I report to and he sets goals or targets for us. In fact my appointment as managing director of the Malaysian company was at the instance of the President Asia Region.

Q: Your corporate policy and your trading and manufacturing policy are essentially reported to the President Asia Region and not necessarily at board meetings?

A: Yes. As to the President, I don't know all that he does. But he is responsible for the companies within the Asian region. He reports to President of SIG. Yes the President of SIG reports to somebody in Sterling Drug Inc.

I do not know whether there is a world link between the Sterling group of companies.

Yes, I would agree that it is like a father settling in the U.S.A. with children all around – the children may not have contact with each other."

A company is normally controlled by its board of directors. And if you control the board, then you control the company. The minutes of board meetings of the second plaintiff show that those meetings were held simply to meet statutory requirements. The directors on the board of the second plaintiff are controlled by and report to Sterling Drug Inc. through the various rungs of the hierarchy of control of the group. On the evidence, it seems to me that there is no question but that the real and ultimate control of these companies, including the second plaintiff, was with Sterling Drug Inc.

A telling illustration of the control, and the emphasis placed on control, by Sterling Drug Inc. can be seen from one of the terms of the use of the trade mark "Panadol" by the second plaintiff in Malaysia as registered user and by the first plaintiff in United Kingdom as owner *viz:* "the trade mark is to be used by the registered user in relation to the goods only so long as Sterling Drug Inc. owns sufficient capital of the registered proprietors and of the registered users to enable Sterling Drug Inc. to appoint or elect a majority of the directors of the registered proprietors and of the registered users." (See the exhibit at p. 2 of the agreed bundle ABA.) In my judgment, clearly the intent and effect of that term is that Sterling Drug Inc. permitted the use of its trade mark "Panadol" only so long as it controlled the companies that for the time being had ownership or user rights.

Now the mark "Panadol" owned and or used by Sterling Drug Inc. or by one or the other of its subsidiaries in different parts of the world, including in the United Kingdom and in Malaysia, is identical. There is nothing to differentiate the mark used in the different territories.

In Malaysia, the second plaintiff manufactures the analgesic and markets it in tablet form in white packs under the "Panadol" mark. There is a legend on the pack stating that the product is manufactured in Malaysia by the second plaintiff. There is nothing on the pack to suggest that there are territorial restrictions in respect of the sale of the product. The packs in fact are marketed not only locally but are also exported to certain Asian countries including Singapore, Thailand, Hongkong and Sri Lanka. In the United Kingdom, the analgesic is also produced as tablets and is offered for sale in blue packs again under the "Panadol" mark. There is again nothing on the pack to suggest any territorial restrictions in respect of the sale of the product. The blue packs may be purchased directly from the manufacturers Sterling Winthrop Group Ltd. or from wholesalers and retailers. Mr. Anthony Warnock Smith, head of the legal department of Sterling Winthrop Group Ltd., explained that the blue pack, as far as they were concerned, was for the domestic market. But later in his testimony, Mr. Warnock Smith said that the blue packs were also exported to Ireland and to East Europe, particularly to Yugoslavia. They also produce red and white packs under the "Panadol" mark for a SIG company called Saxet (UK) Ltd. who exports the packs to the Middle East and African countries.

The plaintiffs' complaint against the defendants is that the second defendant imported into Malaysia the blue pack Panadol which they had obtained from the British domestic market and that they had sold such Panadol in the Malaysian market through, *inter alia,* the first defendant. For the plaintiffs, it is contended that such importation and sale of the blue pack Panadol in Malaysia infringes the first plaintiff's proprietorship and the second plaintiff's user rights in the "Panadol" trade mark.

It is also contended that the defendants have by putting the blue pack Panadol in the Malaysian market practised a deception on the Malaysian public that amounts to a passing off of the blue pack Panadol as being that of the plaintiffs.

Now, to the question, "Neither the blue pack nor the red and white states on it whether it is for

domestic or export use?", Mr. Warnock Smith answered, "not in so many words". The fact of the matter is that there was nothing at all, not words not anything which suggests that the blue packs are for domestic use only. Mr. Warnock Smith conceded, "Yes if you bought a blue box or a red and white box you would not know whether it was for domestic or export use."

Looking at the white packs used by Sterling Drug (M) Sdn. Bhd. in Malaysia and in the neighbouring countries to which the white packs of the analgesic are exported, again there is nothing to indicate whether the analgesic was for domestic or export use.

Mr. Warnock Smith disagreed with the suggestion that Panadol may be purchased from his company in bulk for export. He said that they sold their Panadol only to registered pharmacies or registered pharmaceutical wholesalers in the United Kingdom. He went on to state:

"We have a policy and have had it for a number of years of refusing to supply Panadol where we know or believe it is for export."

But there was no testimony or other evidence as to how such a policy was implemented, if at all. As has been seen, there was nothing in the packs or boxes that purported to restrict the exportation of the product. There was no evidence that sales of the product were made conditional and the inference to be drawn is that they were not. In fact, there was the evidence that there was one instance where what was said to be some four tons of Panadol tablets in blue packs were sold as one shipment by Sterling Winthrop Group Ltd. to Maltown Ltd., the second defendant, when it was known that the purchase was or probably was for export purposes. Mr. Warnock Smith's explanation as to why this sale was concluded was most unconvincing. He said that one of their sales representatives had for an illegal consideration organized the sale using the name of one of their valued customers as the notional purchaser. Before the sale was concluded, it was realized by Sterling Winthrop Group Ltd. that in fact the purchaser was Maltown Ltd., known by them to be exporters of the analgesic. However, the sale was concluded. Mr. Warnock Smith said:

"When it was discovered that the order was for onward sale to the Maltown shops, because the order had been placed illegally or unfairly or improperly by Leslie so that when we discovered that it was destined for Maltown our initial reaction was to refuse to supply until we appreciated that we had unwittingly involved our valued customer. We therefore agreed to fulfil the order."

I have failed to see why if in fact the "valued" customer was unwittingly involved in that its name was used in placing the order "illegally or unfairly or improperly", Sterling Winthrop Group Ltd. did not simply cancel the order. I would have thought that the "valued" customer would have appreciated Sterling Winthrop Group Ltd. taking such a course rather than fulfilling the order with a customer who had used or allowed the "valued" customer's name to be used.

It was put to Mr. Warnock Smith in cross-examination, *inter alia,* that there had been a surplus of manufactured Panadol tablets in the United Kingdom because of the drop in sales in Nigeria and that because of that, Sterling Winthrop Group Ltd. was prepared to sell the blue pack Panadol to anyone who is a registered pharmacist, not caring whether it was exported or not. Mr. Warnock Smith agreed that Nigeria was a major market for Panadol and that there had been a drop in sales there but said that he did not know of any resulting surplus. He denied the rest of what was put to him. He agreed that Sterling Winthrop Group Ltd. gave discounts for large orders but did not know that it could go as high as 25% to 30%. This aspect of the cross-examination of Mr. Warnock Smith called for the plaintiffs adducing evidence to show that Sterling Withrop Group Ltd. was concerned about restraining the export of their blue pack that was sold in the British domestic markets and that they did something about such concern. But no such evidence has been forthcoming. Mr. Warnock Smith saying "I don't know" did not help the cause of the plaintiffs. On the contrary, the evidence available suggests that there were no restraints. And the unchallenged suggestion that Sterling Winthrop Group Ltd. encouraged bulk sales by offering bigger discounts for bulk buying is more consistent with the defendants' contention that Sterling Winthrop Group Ltd. encouraged exports than with the plaintiffs' alleged policy of refusing to supply Panadol if it was known that it might be exported. Whether they encouraged export or not it is unarguable that anybody could go, if not to Sterling Winthrop Group Ltd., to any of their wholesalers or retailers and purchase the Panadol in the blue packs. There is nothing to suggest that those merchants and pharmacists were obliged to find out or were bothered to find out for what purpose the purchase was being made or that they were obliged not to sell Panadol if it was to be exported.

A large portion of the testimony of Malcolm John Town, the chairman of the second defend-

ant company, was hearsay and as such inadmissible evidence. Particularly, his evidence that various British companies make bulk purchases of Panadol from Sterling Winthrop Group Ltd. at special discounts and that they export large quantities of the Panadol was not backed by any primary evidence, oral or documentary. However, his testimony that his group purchased as much as 12,000 dozens of the blue pack per annum is primary evidence and the quantities exported to this region lend some support to his claim. He also testified that he purchased in bulk Panadol from a British wholesaler called Chemisave. Exhibit D6 was a letter written by Sterling Winthrop Group Ltd. to Chemisave which provides some confirmation that there was trading between Sterling Winthrop Group Ltd. and Chemisave. For the quantities, we only have Mr. Town's secondary evidence. That Chemisave bought in bulk from Sterling Winthrop Group Ltd. was put to Mr. Warnock Smith who said he did not know of Chemisave. Again, he was not in a position to deny the allegation.

The position that obtained was that Winthrop Products Inc., the first plaintiffs, having a registered-user right in respect of the mark in the United Kingdom and ownership in the mark in Malaysia, could manufacture and sell the product Panadol in the United Kingdom and in Malaysia. Under trade mark law, there was nothing to stop them from exporting their product from the United Kingdom to, say, Malaysia and *vice versa*. There was, and is, nothing in trade mark law to stop them, or for that matter any trader, from exporting Panadol made in the United Kingdom by either Winthrop Products Inc. or by the Sterling Winthrop Group Ltd. other than any contractual restrictions that there may have been imposed. There were no such contractual restrictions.

The proprietor and/or registered user of a trade mark has the right to prevent deception as to the origin of the goods but such proprietorship or user right per se does not give a right to control dealings with the goods: *Champagne Hiedsieck et Cie etc.* v. *Buxton*[1] (at p. 35). Some measure of contractual control may be provided for but trade mark laws certainly do not give rights of control.

The leading English case on so-called parallel importation is *Revlon Inc. & Others* v. *Cripps & Lee Ltd.*[2] where the facts are not dissimilar to the facts in the instant case as can be seen from the judgment of Dillon J. commencing at p. 90 of the report.

Very shortly stated, the situation that obtained in that case was that there was the Revlon group of companies which was constituted and functioned in more or less the same way as the Sterling group of companies in the instant case. The parent company Revlon Incorporated manufactured and marketed in the U.S.A., *inter alia*, certain hair shampoos and related products under various trade marks including the mark "Revlon Flex". A subsidiary of Revlon Incorporated was the registered proprietor of the Revlon Flex mark in the United Kingdom. Another subsidiary had user rights in the United Kingdom. As is the case in the instant action, subsidiaries of Revlon Incorporated were registered proprietor and registered user respectively of the Revlon mark subject to the condition that the mark was to be only used so long as the registered proprietor and the registered user are controlled by the parent company Revlon Incorporated.

Now, certain of the products manufactured and marketed in the U.S.A. by the parent company under the Revlon Flex mark said to be for the American domestic market found its way into the hands of the defendants who were importers and wholesalers carrying on business in England and Wales. There was nothing to indicate on the packaging of the Revlon Flex products that the defendants had obtained from the U.S.A. that the products were not to be exported out of the U.S.A. or that otherwise there were restrictions imposed in respect of the sale of those products.

The plaintiffs who were the proprietors and registered users of the mark in the United Kingdom contended that for the defendants to market the American products in the United Kingdom involves passing off and infringement of their trade mark.

The judge at first instance Dillon J. did not think so. The plaintiffs appealed. I can do no better than to quote *in extenso* (from p. 114 of the report) from the judgment of Templeman L.J., one of the judges who heard the appeal:

"The function of the trade marks Revlon and Revlon Flex is to indicate that the source of the goods is the Revlon group or one of the companies included in the Revlon group. It would be very strange if any member of the group could complain of the use of the trade mark which gives a true indication of the source of the goods. Section 4(3)(a) of the Trade Mark Act 1938 covers the point and provides that there shall not be deemed to be infringement of a trade mark by any person 'in relation to goods connected in the course of trade with a proprietor or a registered user of the trade mark if as to those goods ... the proprietor

or the registered user conforming to the permitted use has applied the trade mark ... or has at any time expressly or impliedly consented to the use of the trade mark ... In *G.E. Trade Mark* [1970] R.P.C. 339, the Court of Appeal held, *obiter*, that there was a sufficient connection between a parent company and a subsidiary company to enable the parent company to allow the subsidiary to use the trade mark without endangering the validity of the mark as defined by section 68 of the 1938 Act ... *(inter alia)* because as the English company was a wholly-owned subsidiary of the parent proprietor the user might fairly be considered as user by the proprietor itself.

If, as the cases establish, a registered proprietor cannot claim infringement by goods labelled by him (see *Heidsieck*(1)) and if user by a subsidiary company does not prejudice a trade mark held by a parent company (see *G.E. Trade Mark)* then it seems to me that user of a trade mark by a parent company does not constitute infringement of a trade mark held by a subsidiary company for the benefit of a group of companies in general and for the benefit of the parent company in particular ...

... In these circumstances Revlon Inc. are in no better position than *Heidsieck* who held the British trade marks in their own name. In a group such as the Revlon group, the legal ownership of the trade marks and the registration of users are mere instruments. Revlon Inc. orchestrates the business of the group through Revlon Inc. subsidiaries for the benefit of Revlon Inc. itself."

Section 4(3)(a) of the English Trade Marks Act 1938 is *in pari materia* with section 52(3)(a) of our Trade Marks Ordinance (No. 26 of 1950) (which is the relevant Malaysian statute for the purposes of the instant case). Applying the ratio in Templeman L.J.'s judgment in *Revlon* to the instant case, it is seen that the companies in the Sterling group of companies (the parent company of which is Sterling Drug Inc.) that are involved in manufacturing and/or marketing the analgesic Panadol are all engaged in exploiting and using the trade mark "Panadol" for the benefit of the group of companies in general and for the parent company in particular.

I will with respect and gratefully echo *(a fortiori)* Templeman L.J. and say that where a parent company (or a group of companies) chooses to manufacture and sell wholly or partly through subsidiary companies in different parts of the world products which bear the same trade mark, neither the parent or any member of the group nor any subsidiary can complain in Malaysia if those products are sold and resold under that trade mark. A purchaser of the analgesic Panadol manufactured and or sold by a Sterling company and sold under the "Panadol" trade mark whether in the United Kingdom or in Malaysia or in any other part of the world is at least entitled to assume that he will not be sued by a Sterling company in Malaysia or in the United Kingdom or anywhere else merely because of the place of manufacture of the product which he has acquired under the trade mark "Panadol". The legal ownership of the trade mark "Panadol" enables the proprietor to protect in Malaysia the reputation and goodwill of the owner and of the group of which the owner is a member by ensuring that no goods are sold with the mark unless they are produced and labelled by a Sterling company. The legal ownership of the mark does not go further and enables the owner or registered user to ensure that products manufactured elsewhere (*e.g.* in the U.K. or in the U.S.A.) are not sold within the territory of Malaysia. Neither common law nor the statute law of Malaysia allows this. The object of section 52(3)(a) of the Ordinance of 1950 is to prevent the owner of the trade mark claiming infringement in respect of a product which he has produced and to which he has attached the trade mark. In the circumstances of the Sterling group (as in the circumstances of the Revlon group in the *Revlon* case) applying the approach of Cross L.J. in *G.E. Trade Mark,*(3) user by the parent or any one of its subsidiaries may be considered a user by the proprietor. In my judgment, neither of the plaintiffs may complain of or object to the putting into the market in the United Kingdom or elsewhere of products by their related companies of the similar product bearing the same trade mark and that thereafter they can be said to have impliedly consented to their doing so so that the holder from time to time of the goods acquires the absolute ownership of the goods including the right to sell the goods in any part of the world in the same condition in which they were disposed of. Accordingly, both the plaintiffs in the instant case have impliedly consented to the use of the trade mark by the manufacturers of the blue pack Panadol in the United Kingdom which had found its way into the ownership of the defendants.

Having reached such a conclusion, it seems to me that the relationship between Mr. Rajah (a witness for the plaintiffs) and the second defendant, and whether the second defendant was an exporter from the United Kingdom or an importer into Malaysia of the blue pack Panadol which were issues raised by the plaintiffs, are all not relevant to arrive at decisions on the main issues.

As to the complaint of passing off, it seems to me that the plaintiffs' case is even weaker than the infringement case.

There is not an iota of evidence to suggest that the defendants or any of their servants or agents,

including Mr. Rajah, had held the blue pack Panadol that they marketed in Malaysia as being anything but Panadol manufactured in the United Kingdom. The advertisement that was published in the names of both the defendants, contrary to the contention by counsel for the plaintiffs, cleared any doubts that may have been as to whether there was any misrepresentation by the defendants in respect of the blue pack Panadol that they were marketing in Malaysia. By that advertisement, the defendants informed the public at large that what they offered to the Malaysian public was the blue pack Panadol which was "manufactured by and obtained direct from the United Kingdom Division of the Sterling-Winthrop Group Ltd. ..." The notice ends with the paragraph:

"Again we declare that all stocks of blue box Panadol offered for sale by ourselves are a genuine product manufactured by the U.K. division of the Sterling-Winthrop Group and sold under the brand name Panadol in the U.K., Singapore and Malaysia."

In the *Revlon* case[2], Templeman L.J. said as to the complaint of passing off at p. 112:

"In any event, in my judgment there can be no passing off when products manufactured, named, labelled and put into circulation by a Revlon company are sold by the defendants without any alteration to the contents, name or label. The products sold by the defendants are what the defendants say they are."

The same situation obtained here. The products sold by the defendants are what the defendants say they are – blue box Panadol manufactured, named, labelled and put into circulation by a Sterling company. The plaintiffs' case fails on both counts. The action is dismissed with costs.

Order accordingly.

Solicitors: *Allen & Gledhill; Shearn Delamore & Co.*

RHONE-POULENC AG COMPANY & ANOR. v. DIKLORIDE HERBICIDES SDN. BHD. & ANOR.

[O.C.J. (V.C. George J.) 17 December 1987]

[Kuala Lumpur – Civil Suit No. C320 of 1983]

Patents – Agricultural methods – Whether there was infringement of patents – Defence of lack of novelty – Registration of United Kingdom Patents Act 1951 (Act 215), s. 9 – United Kingdom Patents Act 1977 s. 60(1) & (2) – United Kingdom Patents Act 1949, s. 32(1)(e) & (f).

The plaintiffs were holders of four patents relating, *inter alia*, to certain agricultural methods. They claimed that the defendants had infringed their patents, by manufacturing and selling in Malaysia a product called Latex 100E, also known as L-100-E and as Product E. The defendants admitted that they were the distributors of Product E which was "manufactured for or by the defendants". They challenged the validity of the patents by pleading the defence of lack of novelty.

Held, allowing the plaintiffs' claim: (1) the defendants' attack on the validity of the patents failed in respect of each of the claims;

(2) the defendants have directly and indirectly infringed the plaintiffs' patents.

Case referred to:

(1) *Catnic Components Ltd. & Anor.* v. *Hill & Smith Ltd.* [1981] F.S.R. 60 (folld).

CIVIL SUIT.

Dato' V.L. Kandan for the plaintiffs/applicants.

P.S. Gill for the defendants/respondents.

Cur. Adv. Vult.

V.C. George J.: The grant of a patent for an invention is the grant to the patentee for a limited period of a monopoly right in respect of that invention, *i.e.* the right to exclude others from using that invention (see the opening lines in Terrel on *The Law of Patents* 13th Ed. p. 1). A patent may have one or more claims. The scope of the claims is to define the area of the patentee's exclusive monopoly for the process, method or product defined in the claim.

Prior to 1 October 1986 (when the Patents Act 1983 came into force), the law and practice as to patents was regulated by the Registration of United Kingdom Patents Act 1951 (Act 215) which provided that the law applicable in a patent case in Malaysia was, subject to the 1951 Act, the United Kingdom patent law *mutatis mutandis*. The 1951 Act provides, upon application, for the registration in West Malaysia of patents granted in the United Kingdom. Upon such registration, the Malaysian Registrar of Patents issues a certificate of the registration which by section 6 of the Act confers upon the applicant "privileges and rights similar in all respects to those conferred by the issue of the patent in the United Kingdom". By section 7 such privileges and rights shall date from the date of the patent in the United Kingdom